

## Message Text

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64

ACTION EUR-25

INFO OCT-01 EA-11 ISO-00 SP-03 AID-20 EB-11 NSC-07 RSC-01

CIEP-03 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-03 INR-11 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 L-03 H-03 PA-04 PRS-01 USIA-15 DRC-01 /180 W

----- 002403

R 261549Z JUL 74

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC 4038

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION OECD PARIS

USMISSION EC BRUSSELS

AMEMBASSY TOKYO

AMEMBASSY STOCKHOLM

AMEMBASSY OSLO

UNCLAS THE HAGUE 3712

STATE ALSO PASS TREASURY AND FRB

E.O. 11652: N/A

TAGS: EFIN, NL, EEC

SUBJ: GON ON RUMORED GUILDER REVALUATION

SUMMARY: IN RESPONSE TO WIDESPREAD RUMORS OVER IMPENDING  
GUILDER REVALUATION, ECON MINISTER LUBBERS, ACTING AS MINFIN  
IN ABSENCE OF DUISENBERG, ISSUED STATEMENT JULY 25 ASSERTING  
THAT REVALUATION OF GUILDER IS NOT RPT NOT CALLED FOR IN  
CONTEXT OF SNAKE ARRANGEMENT. MINFIN SOURCES TELL US REVALUA-  
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TION WOULD ALSO BE INCONSISTENT WITH GON POLICY TO BOOST EMPLOY-

MENT. END SUMMARY.

1. LAST SEVERAL DAYS HAVE WITNESSED NERVOUS ACTIVITY ON AMSTERDAM FOREX MARKET, LARGELY THE RESULT OF SPECULATION THAT GUILDER WOULD BE REVALUED. AT SAME TIME D-MARK AND SWEDISH KRONA FELL TO FLOOR, CAUSING DUTCH CENTRAL BANK TO INTERVENE WITH TOTAL PURCHASES ON 7/23 THROUGH 7/26 OF OVER 200 MILLION D-MARKS AND ABOUT 100 MILLION GUILDERS' WORTH OF SWEDISH KRONA. SPECULATION ON GUILDER REVALUATION PROBABLY STEMMED FROM WIDESPREAD PRESS REPORTS OF LAST FEW DAYS (SO FAR AS WE KNOW WITHOUT FOUNDATION) THAT IMF HAD RECOMMENDED TO GON THAT GUILDER BE REVALUED.

2. TO DAMPEN SPECULATIVE ACTIVITY, ECON MINISTER LUBBERS (ACTING AS MINFIN IN ABSENCE DUISENBERG) ISSUED STATEMENT JULY 25 FOLLOWING BRIEF CABINET MEETING STATING THAT GUILDER REVALUATION NOT CALLED FOR IN CONTEXT OF EC MONETARY SNAKE, AS INTERVENTION MECHANISMS AGREED UPON BY MEMBERS ARE ADEQUATE TO MAINTAIN AGREED UPON MARGINS. OUR MINFIN SOURCES ADVISE FURTHER THAT REVALUATION WOULD ALSO BE INCONSISTENT WITH GON'S AIM OF STIMULATING EMPLOYMENT, WHICH IS HEAVILY DEPENDENT ON CONTINUED STRONG PERFORMANCE OF FOREIGN TRADE SECTOR. (EXPORT SECTOR WOULD OF COURSE BE ADVERSELY AFFECTED BY ANY GUILDER REVALUATION, WHICH, GIVEN WEAK INTERNAL DEMAND, WOULD RESULT IN HIGHER UNEMPLOYMENT. EMPLOYMENT PROBLEM IS TAKING ON SERIOUS DIMENSIONS, WITH SOCIAL MINISTER BOERSMA ADVISING ON JULY 25 THAT UNEMPLOYMENT MAY SOON TOP 200,000- FROM PRESENT 144,000- IF SPECIAL STIMULATIVE MEASURES NOT ADOPTED SHORTLY).

3. LUBBERS STATEMENT APPEARS HAVE HAD SALUTARY EFFECT INTENDED, AS DOLLAR TRADING LATE AFTERNOON 7/26 AT 2.61 GUILDERS- UP FROM 7/25 OPENING OF 2.555-AND D-MARK SLIGHTLY OFF THE FLOOR. TANGUY

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GUILDER  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 26 JUL 1974  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
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**Disposition Comment:**  
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**Enclosure:** n/a  
**Executive Order:** N/A  
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**Office:** ACTION EUR  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 2  
**Previous Channel Indicators:** n/a  
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**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** martinjw  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 02 OCT 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <02 OCT 2002 by ThomasVJ>; APPROVED <21 JAN 2003 by martinjw>  
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30 JUN 2005

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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GON ON RUMORED GUILDER REVALUATION SUMMARY: IN RESPONSE TO WIDESPREAD RUMORS OVER IMPENDING  
**TAGS:** EFIN, NL, EEC  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005